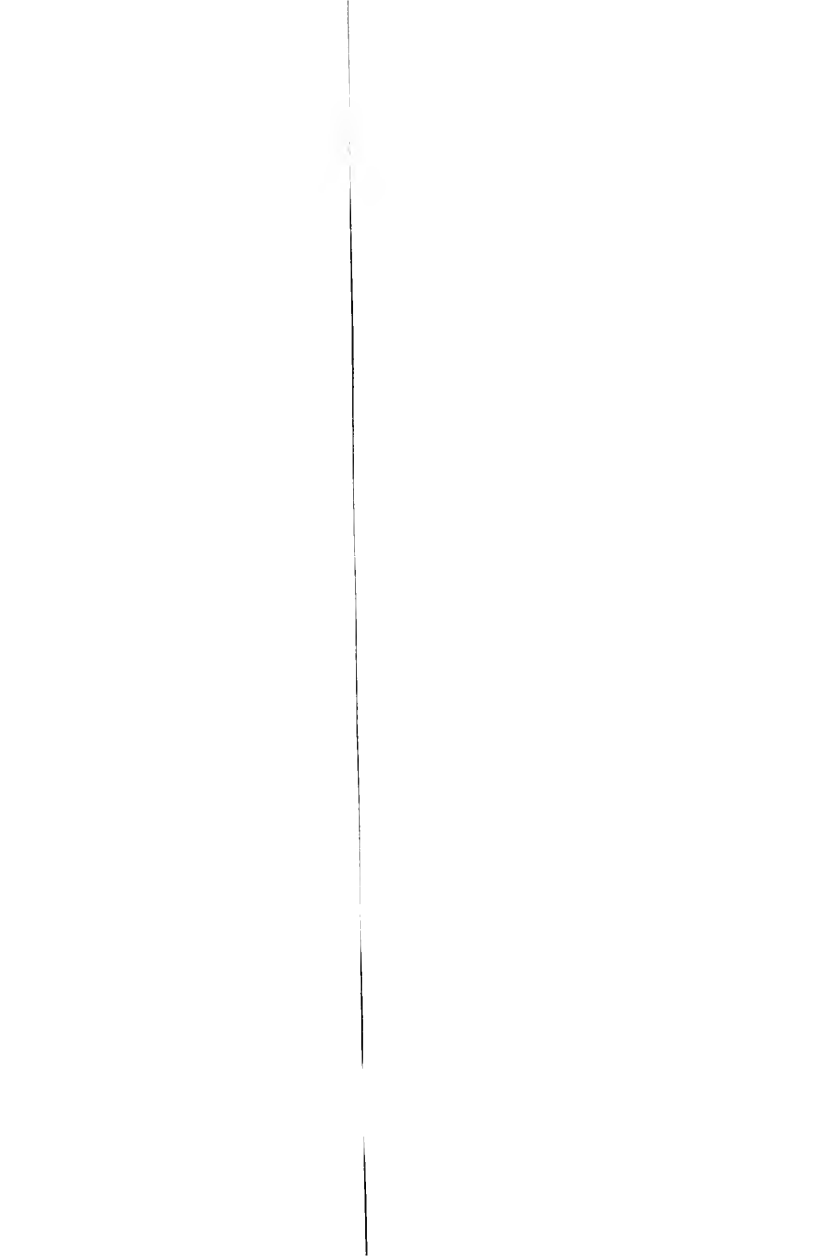


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# THREE YEARS OF DEMOCRACY

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## SHALL WE HAVE PEACE OR WAR?

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### AN ADDRESS

DELIVERED

BEFORE THE DEMOCRACY OF NEW HAMPSHIRE ON  
THE OCCASION OF THEIR ANNUAL BANQUET  
HELD IN THE CITY OF CONCORD,  
N. H., ON MARCH 16, 1916

BY

HON. ROBERT L. OWEN

United States Senator from Oklahoma



PRESENTED BY MR. HOLLIS  
MARCH 20, 1916.—Ordered to be printed

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## ADDRESS DELIVERED BEFORE THE DEMOCRACY OF NEW HAMPSHIRE, AT CONCORD, N. H., MARCH 16, 1916.

By Senator ROBERT L. OWEN.

Gentlemen of the New Hampshire Democracy, fellow countrymen, it gratified me to yield to the invitation and the demand of my beloved colleague, Senator Hollis, to speak to you to-night as the representatives of the Democracy of New Hampshire.

In the highest and truest sense, democracy is a religion, moving the hearts and souls of men toward justice, human brotherhood, and human betterment through self-government by the people. Its principles move many men of many parties, in many nations—from New Hampshire to California, and from the United States to France, from Persia to China, and from the republics of South Africa to those of Australasia.

The Republican Party, when it was organized, in 1856, to fight slavery, showed a clearer conception of true democracy than did the old Democratic Party of that date, which condoned, and even defended, slavery. Only when the Republican Party was allured from its high ideals, through the decades following the Civil War, by the corrupting influences of corporate power and self interests, which seized possession of the party management and party control, did the Republican Party fall from its high estate and finally become the recognized champion of organized private greed. As this gradually took place there came a new birth of a purer democracy within the ranks of those who still clung to the old Democratic Party and its best ideals.

It may be fairly said that only with the advent of Woodrow Wilson, three short years ago, was the Democratic Party completely restored in the affections and confidence of the people of the United States, and then for the first time in 60 years was it able to give concrete expression to its desire to make effective its principles of human brotherhood and human betterment.

We must now give an account to the people of our stewardship. What have we done and what do we propose? Have we been faithful to our pledges?

### HAVE WE BROUGHT DISASTER OR PROSPERITY?

My fellow countrymen, when the Democracy in November, 1912, received the mandate of the American people to assume the reins of government all the great powers of special privilege, who have regarded the Republican Party as an instrumentality through which the invisible government might control the Government of the people of the United States, joined in a chorus prophesying hard times, in the obvious hope by thus creating hard times to lay the foundation for the defeat of the party of the people.

The business of the United States is based on credit and confidence, and the organized plutocracy, with its control of vast agencies

of publicity, has had the power to paralyze confidence and to shake the credit system of the United States to its foundations, to frighten business men, keep them out of new enterprises, and make them ultraconservative in conducting current business. These causes weighed heavily in the scale to further discourage the country as Wilson's administration began.

The previous depression, due to Republican mismanagement, was intensified by these vast influences, but as the militant Democracy moved forward in its high and noble purposes, with the reduction of the monopoly features of the Republican prohibitive tariff, putting the necessities of life on the free list, establishing the income tax, stabilizing the financial and commercial world with the Federal reserve act, abating the powers of private monopoly with the Clayton bill, protecting small business men against unfair practices, domestic or foreign, by the great monopolies, through the Federal Trade Commission act, the glorious sun of Democratic prosperity burst through the clouds of doubt and distrust, showing the American people that a true democratic government, described by Lincoln, of the people, by the people, and for the people, will give them forever the highest form of prosperity, the greatest measure of happiness, and will best promote the welfare of mankind.

#### WHAT HAVE WE DONE?

We have reformed the monopoly promoting features of the Republican prohibitive tariff.

We have put the necessities of life on the free list.

We have removed its injustices and discriminating inequalities.

We have opened wider the gates to foreign commerce, both import and export —and imports and exports in the truest and highest sense measure each other.

We have diminished the per capita taxation which bears too severely on the poor through the reduction on necessities, and placed the tax more largely upon luxuries and upon the wealth which should meet a larger part of the necessary cost of government.

We have established a progressive income tax and placed the taxes more largely upon those who can bear the taxes without suffering, and to that extent taken the taxes from the shoulders of the very poor, who can not stand taxes except at the expense of suffering.

We have been faithful in our promises to reform the tariff, and it has not resulted in diminishing our revenues or our exports or our imports, which have both increased substantially apart from war munitions.

It has been demonstrated overwhelmingly that the tariff schedules are much higher now than the difference in cost of production at home and abroad since the tariff schedules have been put upon a revenue-producing basis, and that the incidental protection afforded by a revenue-producing tariff is more than sufficient to protect every honest and legitimate industry.

The proof of the fact that the Republican tariff laws were grossly unjust, and were not based on the difference in the cost of production at home and abroad, was completely demonstrated by me in the tables prepared in April, 1909, will suffice to show the gross false pretense of the last two Republican tariff acts.

# *Estimated revenues.* RECAPITULATION.

[Compiled by Committee on Finance, Apr. 12, 1899. The ad valorem are based on the dutiable values.]

| Schedules   | Value of merchandise (duty-free and free) | Revenue under—             |                             | Equi- valent ad valorem. | Volume in 1900 (consist- ing of 1900.) | Per- centage of value of prod- uct. | Wages, and repairing. | Value of prod- uct in 1901. | Per- centage labor cost to value of prod- uct by wages and value, as shown, 1904.3 |
|---|---|----------------------------|-----------------------------|--------------------------|--|-------------------------------------|-----------------------|-----------------------------|--|
|   |   | Present law (act of 1897). | Proposed bill (H. R. 4188). |                          |  |                                     |                       |                             |  |
| A—Chemicals, oils, and paint                      | \$12,067,610.85                           | \$1,187,405.69             | \$1,174,112.86              | 27.62                    | 8                                      | 28.20                               | \$411,278,256         | \$572,848,476               | 7.5  |
| B—Earth and treasure, and glassware               | 31,376,000.97                             | 15,350,010.67              | 1,276,187.70                | 48.03                    | 37.1                                   | 48.70                               | 131,627,710           | 120,911,009                 | 36.7   |
| C—Wool, and manufactures of                       | 68,076,29.65                              | 21,812,195.72              | 21,273,663.22               | 32.14                    | 11.65                                  | 31.65                               | 622,110,633           | 3,130,233,195               | 20.8   |
| D—Wool, and manufactures of                       | 29,145,810.60                             | 3,705,024.34               | 2,723,058.08                | 13.12                    | 11.65                                  | 11.21                               | 378,401,121           | 1,493,480,978               | 27.1   |
| E—Sugar, molasses, and manufactures of            | 92,781,081.63                             | 60,338,523.31              | 57,635,000.34               | 65.03                    | 65.30                                  | 65.30                               | 21,376,189            | 113,133,428                 | 5.6  |
| F—Tobacco, and manufactures of                    | 21,651,081.29                             | 23,125,037.41              | 26,115,135.21               | 87.20                    | 87.18                                  | 87.18                               | 62,640,307            | 331,117,671                 | 18.9   |
| G—Agricultural products and provisions            | 93,027,553.39                             | 19,317,915.96              | 24,504,283.57               | 30.16                    | 32.25                                  | 32.25                               | 100,839,004           | 2,114,833,894               | 4.5  |
| H—Agricultural products and provisions            | 23,083,423.05                             | 16,318,123.11              | 21,518,168.77               | 70.19                    | 88.89                                  | 88.89                               | 43,921,076            | 174,473,379                 | 9.2  |
| I—Agricultural products and provisions            | 11,722,212.04                             | 41,000,800.31              | 39,631,163.25               | 43.67                    | 44.07                                  | 44.07                               | 217,656,222           | 1,011,094,237               | 21.4   |
| J—Flax, hemp, and jute, and manufactures of       | 21,083,813.07                             | 11,211,623.13              | 15,023,132.16               | 44.84                    | 47.14                                  | 47.14                               | 27,223,374            | 186,094,092                 | 14.6   |
| K—Wool, and manufactures of                       | 19,788,539.21                             | 41,000,800.31              | 39,631,163.25               | 58.19                    | 58.19                                  | 58.19                               | 135,000,003           | 766,210,000                 | 17.6   |
| L—Silks and manufactures of                       | 23,083,423.05                             | 21,315,076.39              | 26,381,006.00               | 52.33                    | 60.76                                  | 60.76                               | 25,667,343            | 133,288,072                 | 24.0   |
| M—Pulp, papers, and books                         | 135,821,940.06                            | 23,836,316.49              | 31,402,076.11               | 23.67                    | 21.88                                  | 21.88                               | 127,903,633           | 548,737,239                 | 22.5   |
| N—Sundries  | 779,149,421.87                            | 24,119,911.39              | 378,973,393.34              | 22.50                    | 23.06                                  | 23.06                               | 449,566,132           | 1,934,228,027               | 18.3   |
| Total from customs                                |   | 24,119,911.39              | 378,973,393.34              |                          |  |                                     | 6,233,138,318         | 13,534,180,743              |  |
| Net increase                                      |   |                            | 9,462,388.95                |                          |  |                                     |                       |                             |  |
| Total duties, articles of voluntary use, dutiable | 281,411,901.25                            | 149,817,286.47             | 169,454,005.74              | 52.18                    | 55.47                                  | 55.47                               |                       |                             |  |
| Total necessities, dutiable                       | 489,237,717.51                            | 179,273,127.92             | 178,309,119.60              | 36.57                    | 36.60                                  | 36.60                               |                       |                             |  |
| Total entries for consumption, dutiable and free  | 1,415,432,284.78                          |                            |                             |                          |  |                                     |                       |                             |  |
| Total necessities, dutiable and free              | 1,125,960,380.59                          |                            |                             |                          |  |                                     |                       |                             |  |

1 Industries grouped to conform as nearly as possible with the articles enumerated in the respective schedules of the tariff law. Industries with products named in two or more schedules are credited to the schedule which includes the major product. The value of products for each group is the sum of all products of all industries in the group, and hence includes a large amount of duplication due to the product of one industry serving as material for another.

2 Should be \$23,953,291 (see p. 67).

3 Should be \$1,954,686,437 (see p. 67).

4 Should be \$1,934,228,027.

5 Percentage of wages to value of product calculated and inserted by R. L. Owen.

## SCHEDULE A—CHEMICALS, ETC.

This table shows that the percentage of labor to the value of the product in Schedule A, for example, by the very figures given by the Finance Committee itself, is only 7.5 per cent, while the proposed schedule is 28 per cent—four times as high as the entire labor cost involved in the product.

## SCHEDULE B—GLASSWARE, ETC.

In like manner in Schedule B the total labor cost is 36 per cent. The total labor cost in Europe, if it were half as much, would leave the net difference in labor cost only 18 per cent, while the proposed tariff is 48 per cent for Schedule B.

## SCHEDULE C—METALS, ETC.

In like manner Schedule C exhibits a total labor cost of 20 per cent. The difference in this labor cost and the European labor cost, accepting the statement of the chairman of the Committee on Finance that the labor cost in Europe is only half as much, would be 10 per cent, and the difference in labor cost for which the protection might be required would not exceed 10 per cent, but the proposed rate is 31 per cent—three times as high as it ought to be for protective purposes.

## SCHEDULE D—WOOD, ETC.

In Schedule D the total labor cost is 27 per cent, and the difference in labor cost in this country and abroad would be 13½ per cent, not counting freight, which would be as much more in favor of this heavy material; and here the proposed rate is 11 per cent, and this schedule ought to be absolutely free in order to protect our forest and conserve our natural resources otherwise, as well as supply our people with cheap building material and our publishers with cheap paper.

## SCHEDULE E—SUGAR, ETC.

In Schedule E, sugar, etc., the labor cost is 5.6 per cent; the difference in labor cost would be less than 3 per cent, which would be more than offset by freight, and here the proposed duty is 65 per cent, giving a complete monopoly to the Sugar Trust, which takes nearly all the profit, leaving a small fraction of the profit to the sugar planter.

And so it goes for all the 11 schedules.

## PERMANENT NONPARTISAN TARIFF COMMISSION.

To make assurance doubly sure of safeguarding every legitimate interest in the United States, the Democracy is now about to establish a permanent nonpartisan tariff commission of experts who shall give Congress and the President authoritative and reliable information with regard to every industry and enable the laws to be written in such a way as to develop to the highest extent our industrial activities and our domestic and foreign commerce.

We have provided a means, and will perfect a means, through the Federal Trade Commission and other agencies, to safeguard American industry against unfair practices, foreign or domestic.



The Democracy realizes that foreign nations can only in the long run pay for our exports by their exports, and that our exports will be ultimately measured by our imports, and therefore that we should encourage our imports from other nations, especially of those things which we do not ourselves produce to the entire satisfaction of our people, in order that we may enlarge our exports to other nations and stimulate, therefore, the industrial activity of our American Republic.

This should be done by reciprocal agreements through mobilized tariff schedules, subject to Executive arrangement under a fixed legislative policy.

The Underwood law produced \$13,565,235 more revenue in 1915 than was produced under the Payne-Aldrich bill in 1912.

The income-tax law, passed by the Democratic Congress, which puts the burden of taxation where it belongs, is estimated to produce \$100,000,000 for the current fiscal year.

The passage of the Underwood bill, with its income tax, was violently resisted by the Republican Party—the servants of privilege—through a prolonged filibuster, and the income tax was violently opposed and denounced by the high priest of the Republican Party—the Hon. Elihu Root of New York—on the astonishing ground that it was unfair to “my people”—words which were privately expunged from the Congressional Record and which made Senator Lewis’s reply in the Record to his use of this term “my people” seem without point.

I should like to inquire who are the persons whom the great Republican bugler describes as “my people.”

The Democracy, when it speaks of “my people” speaks of all of the people, rich and poor alike, and not merely of those who are able to pay an income tax. Even in New York State there are over nine millions of people who do not pay an income tax, and a comparatively small number who do pay an income tax. Mr. Elihu Root received his commission to represent all the people of New York as their United States Senator, and he should think of them all as “my people,” and if he were a good Democrat that would be his point of view.

#### THE FEDERAL RESERVE ACT.

Under the crafty manipulation of the servants of privilege acting through the Republican Party, the funds of the people on deposit with the national banks were concentrated by the national-bank act, first, in 40 reserve cities, then in 3 central reserve cities, then in New York City, and the funds so concentrated became a gigantic agency for the control of the credit system of the United States, which were thus guided by statute law into the hands of a very small group of bankers, who could, and who did, by expanding credits, make a bull market, and by contracting credits make a bear market at their pleasure, through which they could and did enrich themselves and their parasites at the expense of the unlearned and unwary. Through this power the panic of 1907 was brought about by a conspiracy resulting in the destruction of many financial and commercial lives, widespread dislocation of exchanges and of credits, further strengthening of monopolies, as United States Steel absorbed

Tennessee Coal & Iron, wholesale depression, and losses estimated by Senator Aldrich himself on the floor of the Senate, in January, 1908, as costing the American people over two thousand millions of dollars. It was an underestimate. I demanded of Senator Aldrich an investigation of this panic and its causes and its beneficiaries, and was refused.

On the floor of the Senate on the 25th day of February, 1908, I pointed out to him, as chairman of the Committee on Finance, that he and his colleagues had refused to accept an amendment to the act of 1900, which I had drawn and caused to be submitted to the United States Senate, and which would have protected this country against panic, and invited him on the floor of the Senate to challenge this statement, and he sat silent. (Cong. Rec., p. 2429.)

When the militant Democracy came into power in 1913 it made me chairman of the Committee on Banking and Currency of the United States Senate, and we immediately began the drafting of the Federal reserve act, which the Democracy put upon the statute books over the violent and prolonged filibuster of the Republican Party on December 23, 1908. This act established 12 Federal reserve banks, concentrated the reserves of the banks of the country in 12 Federal reserve banks, made these reserves mobile and available for the business interests of the country, put these vast reserves under the power of the Government of the United States, acting through the Federal Reserve Board, and took these reserves out of the control of Wall Street.

It did more—it provided a basis for an expansible, elastic currency based on commercial paper, with the credit of the United States behind the Federal reserve currency.

By establishing confidence in our banking system, a large volume of gold and currency has been brought from hoarding, and from October 21, 1913, to December 31, 1915, the bank deposits increased \$2,056,374,124, of which increase \$1,498,978,697 was the increase in individual deposits, and \$557,395,427 was the increase in bank deposits with other banks.

It made a future financial panic or currency panic impossible. It made stable for the first time in the history of the United States the credit system of the people of the United States and has lowered the interest rates below any point previously known in the United States.

It gave business men a right to know that they could receive legitimate credit in legitimate business without fail at all times, and therefore encouraged every enterprising man to feel he could expand his business with safety and could begin new enterprises without the deadly danger of financial panic. The consequence has been that as soon as the people of the United States realized the value of this system they began to enlarge their lines of activity, to open new enterprises, and an era of prosperity has now begun which will never again be destroyed by a financial panic. Under any system improvident, reckless business men will be driven to individual liquidation, but never again will the banks of the country, from Concord to Los Angeles, be closed in a day for lack of currency, as occurred October 21, 1907, and never again will business men justly entitled to credit be denied credit as under the plutocratic rule of the Republican Party.

This act has brought our interest rates to the lowest point in our history. The Federal reserve act opened up the whole world to the

credit system of the United States, authorizing the establishment by American banks of foreign branches, thus affording for the first time responsible banking and credit agencies through which American exporters and importers could do business throughout the world through responsible American agencies.

The Federal reserve act was passed over the organized systematic opposition of the Republican Party, backed by the Wall Street banks and all their powers.

The great banks of New York, manned by very human beings, nevertheless perform a magnificent function in our economic life, and are entitled to receive the most respectful and considerate attention, and they were given the most respectful and considerate attention by the Democracy in the writing of this Magna Charter of credits, but the control of the banking system of the United States was taken out of their hands, where it did not belong, and put in the hands of the people of the United States, where it did belong, in spite of their protests and in spite of the filibuster of Mr. Elihu Root's Republican Party, and even of Mr. Elihu Root himself.

I rejoice to know that while the Republican Party has been under the control and guidance of organized human selfishness and private privilege, that nevertheless the true spirit of the Democracy is moving the hearts of a respectable number of Republican leaders and of millions of Republican citizens, whose interest in the common good and whose patriotism is as great as that of any Democrat.

#### THE CLAYTON ANTITRUST BILL.

The Democracy promptly amended the Sherman Antitrust Act, which was deficient in many respects, and made unlawful various practices which, as a rule, singly and in themselves, were not covered by the Sherman Act. It seeks to prevent the creation of illegal trusts, conspiracies, and monopolies in their incipency and before consummation. It makes unlawful discrimination in prices for the purpose of wrongfully injuring or destroying the business of competition. It makes unlawful various monopoly-promoting contracts, holding companies, and interlocking directorates. It removes labor from the commodity class and gives the American laboring man the greater measure of industrial freedom, for which he has so long strived, and is looked upon by wage workers of the United States as the new Magna Charter for labor.

It does not prevent combinations of capital, but only those practices injurious to the general welfare and the common good.

Against this bill the Republican Party violently protested and filibustered. The Democracy forced its passage.

#### THE FEDERAL TRADE COMMISSION ACT.

The Federal Trade Commission act was created not for the purpose of harassing business, not for the purpose of instituting long legal proceedings, but to bring quick relief against unfair practices, to protect the small business man and small business enterprises against the ruinous cut-throat competition of the big fellows against the little fellows, and provide a convenient administrative agency to stop unfair practices and to advise business men, and help them in legitimate enterprise as against predatory and vicious practices.

The Federal Trade Commission is in a position where it will be able to discover unfair practices and unfair competition of foreign competitors and prevent it.

This act was violently opposed by Mr. Root's Republican Party.

#### THE SEAMAN'S ACT.

No better estimate of the value of this great act liberating the toilers of the sea from substantial slavery can be presented than was stated by the Secretary of Labor:

In the struggle of the centuries gone by, step by step, all classes of labor, save one, have achieved a measure of freedom, until in this country workmen are no longer compelled to work against their will or by physical force to fulfill a civic contract of labor. The single exception is the seamen of the world, including those of the United States. After a legislative struggle of more than 20 years the seaman's bill was enacted into law by the Sixty-third Congress, and the last vestige of serfdom by legal requirement was thereby wiped from our statute books. The seamen are free men now and are able to stand erect before the world, the owners of themselves and their own labor power.

This act—

not only says to the American shipowner that American seamen shall be free to leave their vessel when the vessel is in a port in this country, but it says to the foreign shipowner, When your seamen come into American ports the very fact that they are in our waters and under our jurisdiction makes them free men.

This bill will ultimately inure to the benefit of the American shipowner, as it will compel the owners of foreign vessels entering our ports to pay their seamen salaries in proportion to the salaries demanded by American seamen, otherwise they run the risk of losing their crews. Thus a potent factor in the suppression of our mercantile marine will have been removed, the high labor cost to American shipowners in competing with foreign-owned vessels being a factor of some competitive importance when competition is very close.

This bill provides for safety at sea for passengers and for crews; that the crew must understand the language of its officers, the lack of which has been responsible for some deadly disasters at sea.

This bill was supported by Progressive Republicans, who deserve every credit for doing so. The act has not resulted in harm. On the contrary, because of this act, the act opening to American registry foreign-built ships and other liberal provisions, the American merchant marine is now growing by leaps and bounds. Every American shipyard is taxed beyond its capacity, and the American flag is already flying at the mast of hundreds of thousands of tons of American bottoms in excess of 1912, when the Republicans went out of power. It has been repeatedly claimed that the Pacific Mail Steamship Co. was forced out of business because of the enactment of the seaman's law. The records of the House Committee on Merchant Marine proved that statement to be without foundation. The vessels are still under the American flag, transferred to the Atlantic, where business was more profitable because of the European war, and when they were sold on the Pacific more trade was being offered to the vessels than they could possibly carry.

All these bills—the tariff bill, the Federal reserve act, the Clayton bill, the Federal Trade Commission bill, the seaman's act—have had one purpose—the promotion of the common good, the

abatement of monopoly, the betterment of mankind, the lowering of the cost of living, and the greater happiness of all our people, Democrats and Republicans alike, and the Root Republicans fought them every one.

#### THE SHIPPING BILL.

The strenuous effort of the Democratic administration to pass a Government-owned shipping bill for the purpose of naval reserve, sadly needed, and for the purpose of establishing new lines of commerce to South America, and to obtain some just standard for freight charges, was defeated by the violent opposition of the Root Republicans and a few disaffected Democrats. We hope to pass an improved bill on this line this session of Congress.

#### PANAMA TOLLS ACT.

The law repealing free tolls to the Shipping Trust through the Panama Canal and the recognition of our treaty obligations to Colombia and Great Britain was another great Democratic performance. We had a right to compel those who used the canal, built with the money of the people of the United States, to pay a reasonable tax for the use of that great international improvement, and we had no right to violate our treaties relative thereto, as the Republicans had done for the sordid advantage of the unscrupulous coastwise Shipping Trust, and the Democrats in repealing this law, which had violated our treaties, put the honor and integrity of the United States back on the high plane it should always occupy.

#### SMITH-LEVER AGRICULTURAL EXPANSION ACT.

The Democrats passed the Smith-Lever agricultural extension act, systematically promoting agriculture, thereby increasing the American food supply, giving greater value to the farm lands of the country, cheapening food products to the people of the United States. Under it thousands of farm demonstrators are stimulating and directing the agricultural development, husbandry, agricultural economics, and household economics on millions of farms. This was a magnificently useful act of far-reaching consequences.

#### THE LOBBY IN WASHINGTON.

The act of the Democracy in driving the organized lobbies out of Washington City and from the Halls of Congress should not be forgotten.

#### DIRECT ELECTION OF UNITED STATES SENATORS.

Nor should it be forgotten that it was the Democracy which finally compelled the passage of the constitutional amendment for the direct election of United States Senators by popular vote, thus taking Senators from under the undue influence of those who could unfairly influence legislatures to elect the servants of privilege, as in the Lorimer case.

## WORLD-WIDE PEACE TREATIES.

Through the Democracy treaties intended to promote the peace of the world were negotiated with nearly all the great nations of the world, and through the Democracy will ultimately be established the peace of the world on the basis of human brotherhood, justice, and equity. These treaties were negotiated with Great Britain, France, Russia, Italy, Spain, Norway, Sweden, Switzerland, Denmark, Portugal, Netherlands, Persia, Greece, Argentina, Brazil, Chile, Guatamala, Honduras, Nicaragua, Bolivia, Costa Rica, Uruguay, Peru, Ecuador, Paraguay, Panama, China, San Domingo, and Salvador, and their consummation is a clear indication of the high and noble purpose of the Democracy to promote and establish throughout the world an enduring peace.

## THE RURAL CREDITS BILL.

So great had my respect and confidence for your splendid Senator from New Hampshire, Senator Hollis, grown by my association with him in writing the Federal reserve act, that I sought him as chairman of a subcommittee to develop the rural credits bill, and he has performed this service with a rare ability and with a most admirable exercise of an untiring industry. The Nation is profoundly indebted to Senator Hollis for his great work in perfecting this bill.

Immediately after the Democracy came into power it appointed subcommittees to work out a plan for rural credits, to give citizens engaged in the agriculture of the Nation cheap money on long time, to enable the farmers and stockmen of the country to more adequately fulfill their obligations in furnishing the food supplies and the raw materials for the American people. This bill has now been presented to both Houses, and will become an act at this session of Congress, with the support of very many patriotic Republicans, who appreciate its very great value.

## PHILIPPINE BILL.

At this session of Congress the liberation of the Philippine people will be provided for, having passed the Senate and been reported to the House, relieving the United States of the dangerous responsibility for the peace and happiness of far-removed alien, foreign people, and turning over to them their own self-government under conditions which we have learned by our own experience will promote their happiness and establish for them a safe and enduring basis of self-government.

## PENDING MEASURES ON PREPAREDNESS.

The Democracy is now engaged in passing many measures for safeguarding the interests of the United States by adequate preparation against possible foreign aggression through the building up and enlargement of our Navy, through the building up and strengthening of our Army, the auxiliary naval merchant-marine act, the building of an armor plant, to be owned by the people of the United States, thus relieving the people of the United States from the danger

of being compelled to rely upon private persons to furnish the armor for our war vessels and enabling the Government to obtain the armor plate at actual cost, and many auxiliary steps are being promoted by the administration.

EXECUTIVE ADMINISTRATION—NAVY DEPARTMENT.

Capt. J. S. McKean, office of the Chief of Naval Operations, made the following statement before the House Naval Committee:

We have made more real progress in the last two years than in any previous five-year period in my experience in the navy. I don't think I have ever known a time when everybody in the service, from top to bottom, was working as hard with their heads and hands to prepare the fleet for active service.

The Wilson administration authorized in two years \$70,000,000 to be spent on the chief fighting force of the Navy, as against \$26,000,000 authorized during the last two years of the Taft administration. The five dreadnaughts authorized under Wilson will mount 36 more 14-inch guns than the two authorized under Mr. Taft, and the present program of the Democracy will make abundant provision for strengthening the Navy, and doing it under the most economical conditions. By securing competition the present Secretary of the Navy saved \$1,077,210 on one contract for projectiles and over a million on armor plate, and the projectile people and the armor-plate people criticize him severely. Take, for instance, the cost of powder, which was sold at a dollar a pound in 1907, and is being sold to European powers at nearly this price now, is being manufactured by the Secretary of the Navy for 34 cents a pound. The powder people naturally despise him.

The Government, which, under the Republican system, was compelled to pay \$125 per ton for armor plate, can manufacture it at \$230 per ton under the estimates of Secretary Daniels. The armor-plate people detest him.

He wickedly abolished intoxicants from the battleships where sober, steady hands are needed. The liquor interests hate him.

The enemies Secretary Daniels has thus made have caused him to be viciously denounced in the plutocratic press. We love him for the enemies he has made.

The Secretary has opened up all the smaller navy yards and has them all actively at work, and is expanding the larger navy yards. Your city of Portsmouth can testify to the splendid development of the navy yards, for your own has almost doubled its capacity and its force of men over that of the Taft administration.

No previous Secretary ever so encouraged and strengthened the War College at Newport as has Secretary Daniels, which now has a president and a staff of 10 officers instructing an attending class of 32 officers and more than 400 others by correspondence.

The Secretary of the Navy has so far developed the radio telegraph and telephone service that he can communicate with our ships throughout our entire waters from his office directly, and for its size there is no navy in the world that has reached a higher state of perfection. The number of our midshipmen has been increased 50 per cent under the new administration, by allowing each Senator and Member of the House three appointments instead of two.

Under the improved service desertions have diminished, and enlisted men reenlisting is very greatly stimulated, so that 85 per cent

of the enlisted men are now reenlisting. Our enlistments in the Navy have increased over 6,000 since the new administration. The Navy has developed in the past year the perfection of the wireless telephone so far that it has telephoned from Arlington to Mare Island, Cal., 2,500 miles away, by wireless.

The Secretary has established a Naval Consulting Board, with Thomas A. Edison as its chairman, and 22 members, selected from the 11 leading engineering and scientific societies, whose talents and patriotism are now at the service of the country, and engaged in eagerly working up a plan for a great research laboratory. They are organizing scientific committees in each State, to cooperate in putting at the service of the Government every available industrial resource and invention.

In the office of the Secretary of War a like activity is proceeding.

#### AGRICULTURAL DEPARTMENT.

Under Secretary Houston, a man of very great ability, learning, and industry, and his splendid Assistant Secretary, Carl Vrooman, the services of that great department has been stimulated to the highest efficiency. It would take a volume to properly describe the value of these services to agriculture, horticulture, and animal husbandry and farm economics under the new spirit of democracy and cooperation with the State authorities. Millions of farms are under this influence and values will be developed in excess of previous administrations that will go into hundreds of millions in the improved crops of cotton, corn, wheat, and other grains and in the products of animal industry.

#### DEPARTMENT OF STATE.

Through the Department of State, the Democracy has established treaties looking to amity and peace with nearly all the great nations of the world. Recently peace has been established in Haiti, bringing this Republic, so long turbulent and disordered, into new conditions of peace and happiness, under the friendly guidance of our Republic. The treaty with Nicaragua, just confirmed by the Senate, gives the United States future control of interoceanic canal rights and a magnificent naval station in Fonseca Bay.

The greatest accomplishment, through the Department of State and through the Treasury Department, and through the President, has been in building up a sentiment of mutual respect and confidence between the Republics of Central and South America with the United States, thus promoting a spirit of good will and cooperation and of commerce, which will be alike beneficial to North and South America, and which will more firmly than ever establish the principle of the Monroe doctrine as a Pan American responsibility.

The Department of Foreign Trade Advisers of the Department of State has been efficiently developed, and is rendering the most important services in gathering information and advice on commercial subjects and distributing the same so as to promote and protect our foreign commerce. Its activities in the present war have been worth very many millions to our people, and will be still more useful as this service is developed in promoting the common good. Over \$20,000,000 of commerce was released from entanglement due



to the war, upon applications filed between September and November, 1915.

#### HE HAS KEPT US OUT OF WAR.

Perhaps the greatest accomplishment, the one for which our people are more deeply grateful than any other, is that the President has kept us out of war and in a condition of profound peace while all the world beside seems torn with war or internal violence.

Under extreme provocation the President has nevertheless used his great powers and his great influence against any act that would involve the people of the United States in war either with the weakest of our neighbor nations or with the strongest nations of the world, such as Great Britain and Germany, both of whom, because of the excitement and stress of a life-and-death struggle, have disregarded in various ways the international law and our legal rights.

An administration less wise and less thoughtful might easily have been swept into war with Mexico, with Germany and Austria, or with Great Britain and its allies.

In spite of the amazing and magnificent accomplishments of the Democracy since it came into power in March, 1913, the great Republican trombone—the Hon. Elihu Root—takes occasion to sound the keynote of the Republican Party's war song for 1916 before the New York Republican convention on February 15, 1916, with a puny whine about Mexico and Belgium and Germany.

Does he deny the magnificent accomplishments which I have pointed out? Not at all.

Does he give any credit to the Democracy for its glorious work? Not a word.

He entertains the country by charging that the depression in business when the Democratic administration came in was due to the Democratic tariff, although the depression existed before the election took place in 1912, and was emphasized by the calamity propaganda of the plutocratic press, and has been now removed by a condition of widespread prosperity since the Democratic legislation became effective. He makes the unthinkable charge that the Democracy is hostile to American business and to the men who conduct it. Almost his entire address is directed at a criticism of the foreign policy of the Democracy.

He argues that President Wilson should have recognized the bloody assassin Huerta, who betrayed Madero, when trusted by Madero in charge of Madero's troops, and who had Madero and Suarez murdered that he might enjoy the presidential power vacated by his chief's cold-blooded assassination. President Wilson took a different position—that he would not recognize a man who had betrayed and assassinated his chief for the base purpose of seizing a position vacated by such an assassination.

Huerta's unspeakable villainy I described on the floor of the Senate. He was responsible for the murder of various members of the Mexican Congress, and finally seized nearly the entire Congress by military force and put them and kept them in prison, while he had a false election, with stuffed ballot boxes, to make it appear that he was the choice of the Mexican people, who were not permitted to vote their will. President Wilson was right in refusing to recognize

this political monster. President Wilson was right in not intervening in Mexico, torn as it was with internal dissension and revolution. It was the unanimous opinion of the representatives of the South American Republics that intervention there would set a precedent which would make every South American Republic regard the United States with suspicion, aversion, and as a dangerous power which intended to absorb the Central and South American Republics, one by one, as Mr. Roosevelt had obtained the Panama Canal Zone in 1903, 1904, in disregard of our treaty rights with Colombia when Mr. Root was his confidential adviser as Secretary of War. The action in Panama greatly impaired the standing of the United States with the Central and South American Republics, and justly made us the object of their suspicion.

The Democratic administration has tried to overcome this extremely evil Republican inheritance by making a treaty with Colombia and by calling various Pan American conferences looking to the solidarity of the Central and South American Republics with the United States. The Democracy called in Argentina, Brazil, and Chili when we had the unhappy controversy with Huerta. Democracy has now the Secretary of the Treasury en route to South America to help cement the spirit of friendship and confidence between the United States and the South American Republics and undo the great harm done in the Panama case by Mr. Root's former deity.

One would imagine from Mr. Root's speech that if he had had the power he would have intervened in Mexico.

The question of intervention in Mexico is not a new one. The first great Republican President, Abraham Lincoln, considered this matter most carefully. His Secretary of State, William H. Seward, April 6, 1861, addressed the following advice to Thomas Corwin, minister to Mexico, giving President Lincoln's views on intervention:

For a few years past the condition of Mexico has been so unsettled as to raise the question on both sides of the Atlantic whether the time has not come when some foreign power ought, in the general interest of society, to intervene, to establish a protectorate or some other form of government in that country and guarantee its continuance there.

You will not fail to assure the Government of Mexico that the President neither has, nor can ever have, any sympathy with such designs, in whatever quarter they may arise or whatever character they may take on. \* \* \*

The President never for a moment doubts that the republican system is to pass safely through all ordeals and prove a permanent success in our own country, and so to be recommended to adoption by all other nations.

But he thinks, also, that the system everywhere has to make its way painfully through difficulties and embarrassments which result from the action of antagonistical elements which are a legacy of former times and very different institutions.

The President is hopeful of the ultimate triumph of this system over all obstacles, as well in regard to Mexico as in regard to every other American State; but he feels that those States are nevertheless justly entitled to a greater forbearance and more generous sympathies from the Government and people of the United States than they are likely to receive in any other quarter. \* \* \*

The President trusts that your mission, manifesting these sentiments, will reassure the Government of Mexico of his best disposition to favor their commerce and their internal improvements.

I find the archives here full of complaints against the Mexican Government for violation of contracts and spoliation and cruelties practiced against American citizens. It is not the President's intention to send forward such claims at the present moment. He willingly defers the performance of a duty, which at any time would seem ungracious, until the incoming administration in Mexico shall have had time, if possible, to cement its authority.

So that Mr. Root had very good authority for his own attitude when Secretary of War, Secretary of State, and United States Senator under the Roosevelt and Taft administrations, in not permitting any intervention to be entertained because of the outrages of bandits on Americans in Mexico.

When Senator Root was recently in the United States Senate he rebuked Senator Stone, who proposed intervention in Mexico. He vigorously dissented from intervening in Mexico as a means of redressing injuries, and said:

Sympathy with the people of Mexico in their distress, a just sense of the duties that we owe to that friendly people, and the duties that we owe to the peace of the world, must forbid our assenting to or yielding to any such course. (Congl. Rec., Apr. 20, 1911.)

On his oath and responsibility as a Senator of the United States he urged the very course which Mr. Wilson steadily pursued. As a Republican bugler he viciously denounces Mr. Wilson for taking the course which Mr. Root, as a United States Senator, advised him to take.

On April 21, 1914 (Congl. Rec., p. 6985), Senator Root again denounced the idea of intervention in Mexico when we were considering entering Vera Cruz and demanding a salute to our flag for the Tampico outrage. He said:

It is intervention, technically, but it is war in its essence, that we are to vote to justify to-night. How long will it continue? What its results and its incidents will be, no man can state. Men will die—men dear to us, will die—because of the action which we are to approve to-night. American homes will be desolate; American women will mourn; American children will go through life fatherless, because of the action that we are to approve to-night; and when those children, grown to manhood, turn back the page to learn in which cause their fathers died, are they to find that it was about a quarrel as to the number of guns and the form and ceremony of a salute and nothing else?

Mr. Root strongly opposed our entering Vera Cruz and the punishment of the insult by the usurper Huerta. He voted 1 of 13 against our authorizing the President to use our forces in Mexico April 21, 1914. (Cong. Rec., 7014.)

My fellow countrymen, on Saturday, April 25, 1914, Senator Root, at the annual banquet of the American Society of International Law, at the Willard Hotel in the city of Washington, not only did not denounce or even express his disapproval of President Wilson for not intervening in Mexico, but he said:

But the President has acted upon his responsibility and upon his conscience. He is the head of this great Nation. It is for the Nation that he acts. No matter how we may have differed in our opinions of policy in the past, we must all, every one of us, stand loyally by him. There must be no backward looks, but forward, for the success and honor of our beloved country, which we best serve in loyal support of the Chief Magistrate, upon whom rests the responsibility of leadership.

Thank Heaven, we have a President in whose lofty character, in whose sincerity of purpose, in his genuine desire to do what is right, wise, patriotic, and what is best for the country and humanity. We can all trust absolutely. I trust in him. I have differed from him in questions of policy, and doubtless shall differ from him again. Men coming up with different environments and associations, and ideas, must differ; but I have confidence in the character and purpose of the President of the United States. He is my President, and I will stand behind him in his leadership.

When Secretary Bryan, immediately afterwards, at this banquet, advised them of the proposed plan of mediation with Huerta, through Argentina, Brazil, and Chile, Senator Root expressed his delight that it avoided intervention.

What a wonderful change has come over this distinguished statesman in so short a time. He now suddenly throws a political somersault and shakes his vehement fists in the face of Wilson, because Wilson has, since then, in effect, followed the advice of Senator Root and of Ex-President Taft not to intervene in Mexico.

I have no objection to this distinguished citizen changing his mind, but I warn American citizens that Mr. Root, who for decades has been advertised systematically by the plutocratic press as a prophet, is not a reliable or responsible leader of public opinion.

Mr. Elihu Root makes the shameless observation in his New York Republican keynote speech that—

A study of the administration's policy toward Europe since July, 1914, reveals three fundamental errors: First, the lack of foresight to make timely provision for backing up American diplomacy by actual and assured military and naval force. Second, the forfeiture of the world's respect for our assertion of rights for pursuing a policy of making threats and failing to make them good. Third, a loss of the moral forces of the civilized world through failure to truly interpret to the world the spirit of American democracy in its attitude toward the terrible events which accompanied the early stages of the war.

Whose lack of foresight is culpable except that of Mr. Root himself, who was Mr. Roosevelt's Secretary of War and Secretary of State, and Mr. Taft's closest adviser, and his associates, who, having had control of the Government for all of these 12 consecutive years preceding President Wilson, had failed to provide what he now declares an adequate military and naval force?

No one knows better than Mr. Root, who served as Secretary of War, that it takes years to build up an adequate military and naval force. No one knows better than Mr. Root that the Wilson administration was compelled to face in 1913 and 1914 a continuous filibuster to get for the people of the United States the present legislation to which the Democracy was primarily committed, and that the opportunity of service by the Democracy was resisted to the uttermost by Mr. Root and his associates, and its efficiency thereby greatly impaired, but that President Wilson, nevertheless, greatly stimulated the upbuilding of our Navy.

The plain truth is that the gigantic European war for the first time brought to the attention of our people the danger to our interests if we should be comparatively defenseless against very powerfully organized military or naval power.

Mr. Roosevelt, in the Outlook of September 23, 1914, about two months after the war began, discussing the subject "World war, its lessons," stated that one of the main lessons to learn from that war was that—

\* \* \* Arbitration treaties, neutrality treaties, treaties for the erection of independent tribunals, treaties of all kinds, can do nothing to save a nation unless that nation is able to defend its own honor, its own vital interests.

This is a lesson which Mr. Roosevelt drew in August, 1914, from the present war. Mr. Roosevelt would hardly have charged the

Wilson administration or the American people for not having learned this lesson before the cataclysm in Europe taught it.

Mr. Root would make the country believe that Mr. Wilson was unfaithful to American traditions because he did not protest against the violation by Germany of the neutrality of Belgium.

The genius and hypocrisy of this crafty assault on President Wilson is sufficiently answered by observing that Mr. Root himself was Secretary of State when The Hague conference of 1907 was held, and it was from Mr. Root that the American delegates received the instructions to make to the conference a declaration of America's policy, which covered every act and every convention which the American delegates signed. The declaration was as follows:

Nothing contained in this convention shall be so construed as to require the United States of America to depart from its traditional policy of not intruding upon, interfering with, or entangling itself in the political questions of policy \* \* \* of any foreign State; nor shall anything contained in the said convention be construed to imply a relinquishment by the United States of its traditional attitude toward purely American questions.

Mr. Root knew that Mr. Wilson had no right, under the fixed American policy and practice of not entangling itself in foreign affairs, to protest against this breach of the German-Belgian treaty.

Mr. Root, when Secretary, refused to interfere between Korea and Japan, notwithstanding the United States was bound by treaty to use its good offices if other powers should deal unjustly or oppressively with either party to the Korean treaty. Mr. Root was right in the Korean case, and he was right when, in Washington City shortly after the outbreak of the European war, he indorsed the foreign policy of the President of the United States as then reported by the public press, and he is wrong now, when, as a Republican trumpeter, he denounces Mr. Wilson for not properly chastising Germany for its invasion of Belgium. Mr. Root, as Republican agitator is one thing and as Secretary of State is another. He is Dr. Jeckyl and Mr. Hyde.

President Taft followed the policy of President Lincoln of non-intervention in Mexico wisely and properly, and President Taft, at Morristown, N. J., praised President Wilson's Belgian policy, and said:

While I sympathize with the Belgians in this war, whose country, without any fault of theirs, has been made a bloody center, I approve and commend to the fullest the attitude of President Wilson.

Mr. Roosevelt, four days after the invasion of Belgium, in a speech in New York, said:

We should be thankful beyond measure because we are Americans and not at war,

and he urged support for the administration in securing peace and justice, and said nothing of any duty of the Government to protest against the invasion of Belgium, and seven weeks later in the Outlook, speaking of the delegation of Belgians who had arrived to invoke our assistance, he said:

It is certainly eminently desirable that we should remain entirely neutral, and nothing but urgent need would warrant breaking our neutrality or taking sides one way or the other.

Of course, it would be folly to jump into the gulf ourselves to no good purpose, and very probably nothing we could have done would have helped Belgium. We have not the smallest responsibility for what has befallen her, and I am sure that the sympathy of this country for the suffering of the men, women, and children of Belgium is very real.

Nevertheless, this sympathy is compatible with full acknowledgment of the unwisdom of uttering a single word of official protest, unless we are prepared to make that protest effective; and only the clearest and most urgent national duty would ever justify us in deviating from our rule of neutrality and noninterference.

So that Mr. Roosevelt, Mr. Taft, and Mr. Root all agree on the wisdom of President Wilson's Belgian policy while Mr. Root, as Republican bugler, discovers an issue with Mr. Wilson because he did not maintain American ideals in protesting against the violation of Belgian territory. Yet Mr. Root did not protest the invasion of the Transvaal or of Korea.

He charges President Wilson with making threats against Germany in the submarine controversy and failing to make them good, thereby forfeiting the respect of the world.

President Wilson made no threats. He strenuously insisted that both Great Britain and Germany should respect the rights of the United States; that they should respect the international law; that he would insist on these rights and hold them to strict account and, as a result, Great Britain and Germany have gone far to respect these rights.

Is this a threat of war? Could he have done less and discharged his duty in maintaining the neutrality of the United States and the rights of its citizens?

President Wilson has had a most delicate and difficult diplomatic position to occupy. He has discharged his duty with rare fidelity, self-control, and wisdom, and Mr. Root engages himself in rocking the boat and trying to build up a large American opinion behind more drastic action, which would easily lead us into war.

Mr. Root demands something more than words. He would "follow words by action." What action? There is but one action remaining, and that act is war, which Mr. Root, in his first charge against Mr. Wilson, declares we are utterly unprepared for, and for which lack of preparation he is more responsible than any living man. Will he rush us into war for which he and his associates have left us unprepared?

Mr. Root knows perfectly well that if he were charged with the responsibility of government, he would do everything in his power to avoid war, just as Mr. Wilson is doing, but he thinks, as the great Republican trumpeter, he can by an appeal to passion, excite the people of the United States to desert Mr. Wilson and support Mr. Root, or some other advocate of war, for the Presidency.

Neither the German allies nor the British entente would willingly do anything to forfeit the respect, confidence, or friendship of the American people.

These unhappy, distressed, blood-choked nations in their life and death fratricidal struggle, may do many things, many regrettable things, affecting our rights, which we should weigh in the light of the distracting conditions under which these trespasses on our rights occur. America has the greatest opportunity the world has ever

known of promoting the foundations of world-wide peace, which shall be indestructible for all future time. The opportunity to render this service is of vast importance. If we keep out of this war we will not only protect the welfare and the advancement of 100,000,000 of our own people, we will be able to serve the 300,000,000 in Europe, and more than half the human race now involved in this titanic struggle.

Mr. Root would have us go to war. Mr. Root, with greater opportunities of knowledge than many other men in public life, shows the utter weakness of the Republican Party when he makes the issue between the Republican Party and the Democratic Party the issue of an unprepared and unjustifiable war or of honorable peace.

Why does he ignore the magnificent accomplishments of the Democracy in preserving the peace, the honor, the prosperity of the Nation?

Why does he ignore the reduction of the monopoly tariff, the passage of the Federal income tax, the Federal reserve act, the Clayton antitrust law, the Trade Commission act, the agricultural extension act, the seamen's act, and the conservation laws?

Why does he ignore the splendid work done through the executive branches of the Democratic administration? He is silent on the magnificent accomplishments of both the legislative and executive branches under a faithful, energetic Democratic administration, and confines his keynote speech to charging us with the crime of keeping the country at peace.

Mr. Root, as the mouthpiece and intellectual leader of the Republican Party, has been unable to find any just criticism of either the legislative or executive policy of the Democratic administration. His refusal and failure to properly credit the Democracy for its splendid work may be taken as a measure of his lack of frankness and generosity and fair dealing toward the Democracy. It shows the utter weakness of the Republicans—that this statesman, confessedly the ablest of them all, can find no other issue with the Democracy than the issue of war *v.* peace. On that issue the people of the United States will prefer to follow the doctrine of the great Republican leader, Gen. Grant, at Appomattox, who at the end of a bloody campaign and after the American people had fully tasted the bitter fruits of war, said, "Let us have peace."

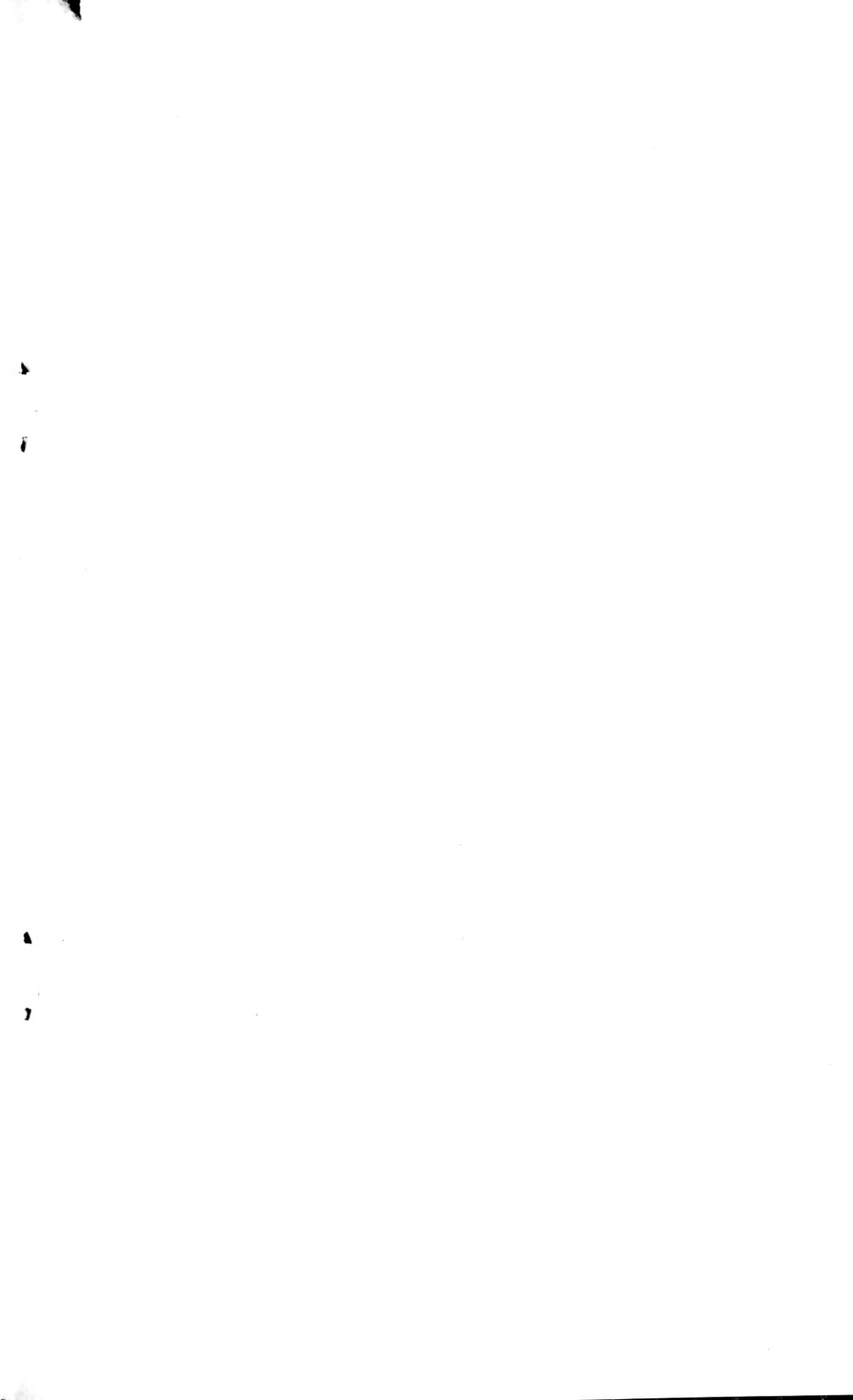
On that issue we have the faith to believe our people of all shades of political opinion will support and triumphantly continue in service our noble President, who with infinite patience and immovable resolution has protected our interests as far as humanly possible, has preserved our honor unstained, and has kept us at peace.

God bless the President of the United States!









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